

Idaho Legislative Audits
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Idaho Public Television

Management Report on Internal Control

Issued: December 15, 2003
Fiscal Year: 2003



EXECUTIVE SUMMARY LEGISLATIVE AUDITS

IDAHO PUBLIC TELEVISION

PURPOSE AND SCOPE. We have audited the financial statements of Idaho Public Television (IPTV) for the fiscal year ended June 30, 2003, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit was to determine if IPTV's financial statements are materially accurate and reliable, and that IPTV complied with laws and regulations affecting fiscal operations.

In determining how to define IPTV for financial reporting purposes, management has considered all potential component units. The primary entity is IPTV, which includes a central management staff, three fully staffed stations (KAID, KISU, KUID), and an interconnected system between the ten public stations in Idaho (KAID, KISU, KUID, KIPT, KCDT, KAID-DT, KISU-DT, KUID-DT, KIPT-DT, and KCDT-DT). The component units consist of IPTV Foundation, Friends of IPTV – KAID/KIPT, Friends of IPTV – KISU, and Friends of IPTV-- KUID/KCDT. The primary entity and component units are included in these basic financial statements.

CONCLUSION. We conclude that IPTV's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on IPTV's financial statements.

FINDINGS AND RECOMMENDATIONS. There are no findings and recommendations in either this report or the prior audit report.

AGENCY RESPONSE. The IPTV management has reviewed the report and is in agreement with its contents.

FINANCIAL SUMMARY. The following schedule briefly summarizes the financial operations of IPTV for the fiscal year ended June 30, 2003. Funding for the year included a \$1.9 million General Fund appropriation (which did not include almost \$3.5 million in encumbrances from fiscal year 2002) and \$4 million transferred from various Foundation and Friends organizations.

Idaho Public Television
Income Statement – Fiscal Year 2003

	General Fund	Other State Funds	IPTV Component Unites	Total
Revenues				
State Appropriation	\$5,272,441	\$0	\$0	\$5,272,441
Federal Grants	0	195,436	0	195,436
Contributions and Earnings	0	0	5,029,986	5,029,986
Other Miscellaneous Revenue	0	422,702	0	422,702
Payments to/(from) Affiliates	<u>0</u>	<u>4,048,280</u>	<u>(4,048,280)</u>	<u>0</u>
Total Revenues	<u>\$5,272,441</u>	<u>\$4,666,418</u>	<u>\$981,706</u>	<u>\$10,920,565</u>
Expenditures				
Programming/Production	\$212,313	\$2,014,484	\$3,941	\$2,230,738
Broadcasting	4,277,184	1,017,928	8,426	5,303,538
Program Information	2,713	379,999	0	382,712
Fund Raising/Development	8,524	837,890	32,175	878,589
Management/General	700,491	467,254	41,332	1,209,077
Educational Services	<u>71,216</u>	<u>242,532</u>	<u>81,375</u>	<u>395,123</u>
Total Expenditures	<u>\$5,272,441</u>	<u>\$4,960,087</u>	<u>\$167,249</u>	<u>\$10,399,777</u>
Excess (Deficiency) of Revenues over Expenditures	\$0	(\$293,669)	\$814,457	520,788
Beginning Balance	<u>0</u>	<u>514,187</u>	<u>5,090,333</u>	<u>5,604,520</u>
Ending Balance	<u>\$0</u>	<u>\$220,518</u>	<u>\$5,904,790</u>	<u>\$6,125,308</u>

OTHER ISSUES. We discussed other issues of lesser importance which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of Idaho Public Television and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank the general manager, Peter Morrill, and his staff for their assistance and cooperation given to us during this audit.

QUESTIONS CONCERNING THIS AUDIT SHOULD BE DIRECTED TO:

Ray Ineck, CGFM, Supervisor, Legislative Audits
Thomas Haddock, CPA, CGFM, Managing Auditor